

City of Culver City, California
City Council Agenda Item Report

Meeting Date: 12/12/05	Item Number: <u>PH-1</u>
AGENDA ITEM: Public Hearing to Continue the Downtown Culver City Business Improvement District.	
Contact Person: Alicia Weintraub	Phone Number: (310) 253-5778
Fiscal Impact: Yes ☐ No ☒	General Fund: Yes ☐ No ☒
Public Hearing: ☒	Action Item: ☐ Attachments: ☒
Public Notification: The Resolution of Intention was mailed to businesses in the Downtown Culver City Business Improvement District on November 16, 2005, published in the Culver City News on December 1 and 8, 2005, and posted on the Master Notification List on December 7, 2005	
Department Approval: Susan Evans (11/30/2005)	CAO Approval: Martin Cole for Jerry Fulwood (12/5/05)
City Controller Approval: N/A	

RECOMMENDATION:

Staff recommends the City Council (the "Council") adopt a resolution to levy the proposed 2006 BID assessment and adopt the recommendations for the 2006 BID Advisory Committee, unless a majority protest is made.

PROCEDURE (Noticed Public Hearing):

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| Mayor: | Announces that this is the time and place for the hearing of protests or objections to the continuation of the BID. |
| City Clerk: | Announces that the Resolution of Intention, which included notice of this public hearing, was published in the Culver City News on December 1 and 8, 2005 and was mailed to all affected businesses. |
| Mayor and Council: | Moves to receive and file all affidavits. |
| City Clerk: | Announces the number of written protests received and verifies that all protests have been delivered to the Council. |
| Mayor: | Calls to the podium those individuals who filed a written protest, who wish to make oral protests or presentations. |
| Staff: | Reports on protests received. |
| Mayor and Council: | Moves to declare the Public Hearing closed. |

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If those business/property owners who submit protests pay less than 50 percent of the total assessment to be levied, move to overrule and deny all protests and then consider the adoption of a resolution to levy the 2006 BID assessment;

OR

If those business/property owners who pay more than 50 percent of the total assessment to be levied submit protests, move to deny the BID for a period of one year.

BACKGROUND:

The BID provides a mechanism for businesses to levy assessments on themselves for the promotion of business activities and public events; decoration of public places; and the acquisition, construction, installation and maintenance of specific improvements. The BID assessment reduces Downtown business dependency on the City and Redevelopment Agency.

On November 14, 2005, the Council approved the BID's 2006 Annual Work Program and Budget, as filed with the City Clerk, and adopted a Resolution of Intention to conduct a public hearing on December 12th. Additional information related to the Annual Work Program and Budget was included in the November 14, 2005, City Council Agenda Item Report, which is attached for review (Attachment No. 1).

DISCUSSION:

During 2005, the BID reported approximately \$106,488 in total BID assessment revenues, Agency Executive Director grant, sponsorship contributions (Culver Hotel and Bank of the West) and carryover funds from 2004. Of the total revenues available, approximately \$17,524 were spent on marketing, \$27,007 were spent on design, and \$44,117 were spent on administration. There is an anticipated carryover of \$22,000 for 2006. These funds include remaining accounts receivable, delinquent BID fees, funds allocated for outdoor directories and a small contingency fund. The outdoor directories are anticipated to be completed in early 2006. This is further described in the Downtown Business Association's (the "DBA") Quarterly Financial Statements, which are attached for your review (Attachment No. 3).

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BID revenues are managed by the DBA in accordance with the Management Agreement between the DBA and the City. The Management Agreement was renewed last year and does not expire until December 31, 2006. The DBA uses BID revenues to implement the Work Program defined in the BID Advisory Board's Annual Report (the "Report"). The 2005 Report is attached for your review (Attachment No. 2). The DBA's responsibilities are fully described in the Management Agreement, which has been attached for your review (Attachment No. 4).

Staff has identified the following issues that require discussion: protest of the proposed assessment, appointment of BID Advisory Board members, and renewal of the Business Improvement District Management Agreement.

Protest of the Proposed Assessment

State Law [Streets and Highways Code Section 36525.(a)] states: "If written protests received from the owners of businesses in the proposed area which will pay 50 percent or more of the assessment proposed to be levied and protests are not withdrawn so as to reduce the protests to less than that 50 percent, no further proceedings to create the specified parking and business improvement area or to levy the proposed assessment, as contained in the Resolution of Intention, shall be taken for a period of one year from the date of the finding of a majority protest by the Council."

BID Advisory Board Membership

State law requires the Council to appoint a BID Advisory Board, which is responsible for compiling the Report. The Report identifies how BID assessment revenue will be spent, proposed improvements and activities, the classification of businesses, the method and basis of levying assessments, and other matters the Advisory Board deems appropriate.

The BID Advisory Board members for 2005 were Ken Chernus (Ken Chernus Studios/Property Owner), Jennie Cook (Double Dutch Dinette/Business Owner), Susan Obrow (Kirk Douglas Theatre), Jim Rodriques (Santa Maria BBQ/Business Owner) and Andrew Weissman (Attorney at Law/Business Owner).

The DBA recommended the following BID Advisory Board Members for 2006:

- 1) Andrew Weissman/Attorney at Law-Business Owner
- 2) Kamaren Henson/Wonderful World of Animation-Property Owner
- 3) Greg Reiner/The Actor's Gang-Business Representative
- 4) Jim Rodriques/Santa Maria BBQ-Business Owner

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5) Gerald Weiner/Attorney-Business Owner

As part of the Management Agreement that the City has with the DBA, all members of the BID Advisory Committee must be in good standing with the City, Redevelopment Agency and BID in terms of business tax payments, BID assessments, refuse billing and Redevelopment Agency debt agreements. After a review by the City Treasurer's Office, it appears that none of these individuals show any record of debt to the City, Redevelopment Agency, or BID.

The Council may appoint these members and/or appoint new members to the BID Advisory Board.

FISCAL ANALYSIS:

In 2006 the BID assessment total is estimated to be approximately \$65,000, which will be used to fund marketing (\$18,800), holiday decorations (\$7,930), and administration/other expenses (\$38,000).

ATTACHMENTS:

1. November 14, 2005 City Council Agenda Item Report;
2. 2005 Annual Work Program and Budget (Approved by the Council on November 14, 2005);
3. DBA Quarterly Reports;
4. Management Agreement ;
5. Resolution to levy the proposed assessment;
6. Internal Revenue Service tax-exempt certification;
7. DBA Certificate of General Liability Insurance; and
8. BID Advisory Board Recommendations 2006.

MOTION:

IF THERE IS NOT A MAJORITY PROTEST THAT THE CITY COUNCIL:

1. Adopt a resolution to levy the proposed 2006 BID assessment;

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2. Appoint Andrew Weissman/Attorney at Law-Business Owner, Kamaren Henson/Wonderful World of Animation-Property Owner, Greg Reiner/The Actor's Gang-Business Interest , Jim Rodrigues/Santa Maria BBQ-Business Owner, Gerald Weiner/Attorney-Business Owner

OR, IF THERE IS A MAJORITY PROTEST THAT THE CITY COUNCIL:

1. Approve a finding that protests have been received from the owners of businesses in the proposed district who will pay 50 percent or more of the assessment proposed to be levied, and no further proceedings to continue the Downtown Culver City Business Improvement District shall be taken for a period of one year from the date of this meeting.